18. Verizon has mapped the data obtained from Verizon's wire center inspections and GeoTel to show central offices where carriers have deployed identifiable fiber transport facilities in each of the MSAs that Verizon studied. *See* Attachment H (Maps B). Exhibit 4A lists, for each MSA, the carriers whose fiber routes are shown on the maps. Exhibit 4B shows that, based on Verizon's physical inspections and GeoTel results, there is competitive fiber in 342 wire center, nearly *two thirds* of the offices in MSAs that are among those that account for 80 percent of the demand for high-capacity Special Access services in Verizon's region. All of these 342 wire centers are located in the top 40 MSAs. Moreover, in the smaller MSAs, competing carriers have carefully targeted their facilities to the limited areas within those MSAs in which there is demand for high-capacity services. *See id.*

III. Identification of Buildings Where Carriers Have Self-Provisioned Facilities.

19. Next, using information provided by GeoResults, Inc. ("GeoResults"), Verizon has sought to determine the extent to which carriers have self-provisioned high-capacity loop facilities to buildings in the MSAs that Verizon studied. GeoResults, a consultant to vendors and service providers in the telecommunications industry, maintains a number of databases with information about various aspects of telecommunications operations in different geographical areas.

20. GeoResults derived the information that it provided to Verizon from two sources. First, GeoResults obtained information from "Common Language" data products developed and maintained by Telcordia Technologies ("Telcordia"). The second source of information provided by GeoResults was extracted from a data product developed by Universal Access Global Holdings Inc. ("Universal Access").

21. Telcordia's Common Language database contains information about many network elements that have been deployed by service providers. The database includes information provided by telecommunications service providers on their network sites, transmission facilities, network equipment, circuits, switching entities, and carrier and manufacturer names. Telecommunications providers identify their network elements using Common Language coding.

22. Common Language coding enables the telecommunications industry to establish standards, rules, and identifiers that facilitate the efficient exchange of information among providers, customers, and suppliers about network facilities. The Common Language coding system was initially developed by Bell Laboratories in the 1960s to keep track of network elements in the Bell network. After the 1984 breakup of AT&T, in order to facilitate network interoperability and network management, telecommunications service providers continued to use Common Language coding information regarding their networks and to supply this information to Telcordia. Today, Telcordia's Common Language database products are recognized as an industry standard by numerous national and international telecommunications standards-setting bodies. Telcordia reports that twenty-eight out of the top thirty carriers, twelve hundred small telecommunications providers, and one thousand equipment vendors use Common Language products to characterize their networks.

23. GeoResults extracts information regarding CLEC networks that is contained in various Common Language database products. This information enables GeoResults to identify and locate buildings in the United States that are served by fiber-enabled network equipment. These buildings are flagged as "fiber-lit" buildings. GeoResults then analyzes the information associated with each piece of fiber-enabled network equipment to identify the telecom service

provider and the bandwidth capacity of each piece of "fiber-enabled" network equipment. The information that GeoResults obtains from this evaluation is entered into its "GeoLit Plus Report" and its "GeoLit Node Report" for further analysis.

24. The GeoLit Plus Report is a unique summary of building locations to which carriers have provisioned fiber-enabled equipment. Using this report, it is possible to obtain information on more than 80,000 fiber-lit buildings throughout the United States, along with the identity of each service provider that has deployed equipment in each of these buildings. Accordingly, in the twenty MSAs Verizon studied, Verizon has been able to identify and locate many of the buildings in which carriers have provisioned high-capacity equipment, as well as the names of the service providers that have deployed such equipment in these buildings.

25. The GeoLit Node Report is a listing of all fiber-lit buildings and the bandwidth capacity of any identified ring or piece of fiber-optic-enabled equipment in the building, as well as the name of the CLEC or incumbent carrier that provides that ring or fiber-optic equipment system. The bandwidth capacity of all identified ring or fiber-optic-enabled equipment systems in each fiber-lit building is stated in OC-3, OC-12, OC-48, OC-192 or dense wavelength division multiplexing ("DWDM") terms. The GeoLit Node report provided Verizon with additional information regarding the characteristics of the high-capacity equipment deployed in various buildings located in the MSAs Verizon studied.

26. The GeoLit Plus and the GeoLit Node Reports contain useful information about the extent to which carriers have self-provisioned high-capacity equipment in areas in which there is significant demand for high-capacity services. Because carriers are not required to supply information regarding their networks to Telcordia for inclusion in the Common Language databases from which the GeoLit Plus and GeoLit Node Reports are prepared, however, there is

reason to believe that these reports likely understate, perhaps significantly, the extent to which carriers have deployed high-capacity facilities to buildings in the top MSAs in the country.

27. Accordingly, Verizon supplemented the information derived from the GeoLit Plus and the GeoLit Node Reports with data extracted from a product provided by Universal Access. Universal Access is an independent buyer, seller, and manager of multi-carrier networks on behalf of telecommunications carriers, network service providers, cable companies, system integrators, and government agencies. As a broker of transport services, its core competency is provisioning circuits among diverse network components. Universal Access is also a certificated carrier in all of Verizon's territories. In support of these operations, Universal Access has developed a comprehensive database containing information on network infrastructure in the United States.

28. The Universal Access databases are prepared using network and market data from hundreds of sources from across the United States, including detailed network data reports made by interexchange carriers, competitive access providers ("CAPs"), and carriers. The Universal Access database includes information relating to location, service level, hand-off, pricing, and fiber-routing attributes. Universal Access does not provide the name of the carrier whose information is provided.

29. Universal Access has developed a product (called the "CAP/CLEC Building Product") that contains information regarding the footprint of CAPs and carriers that have deployed fiber-enabled equipment in a given geographical area. The database contains the following information, on a building-by-building basis, for those buildings in which fiber-enabled equipment has been deployed: (1) address; (2) building name; (3) building carrier count (*i.e.*, the number of CAP and CLEC entities that reported a presence in each building); and

(4) the local access and transport area code area, MSA, and wire center boundary within which the building is located.

30. Using the GeoLit Plus and the GeoLit Node Reports, as well as the Universal Access data supplied by GeoResults, Verizon was able to establish, for each of the MSAs that it studied, a list of buildings in which high-capacity fiber equipment has been deployed by carriers. It is reasonable to assume that for the great majority of the buildings in which carriers have deployed fiber-enabled equipment, they have also self-provisioned high-capacity loops. The extent to which carriers have deployed high-capacity equipment (and presumably have self-provisioned high-capacity loops) is shown in Attachment H, Maps D and E. Exhibit 5A identifies, for each MSA, a complete list of the building addresses that have been mapped. Exhibit 5B provides, where the information was available, a list of carriers and the number of buildings in which they have deployed equipment.

IV. Correlation Between Telecommunications Expenditures and Carrier Facilities Deployment

31. Verizon next sought to confirm that there was a correlation between actual carrier self-provisioning of high-capacity loop facilities, as determined using the methodology described above, and demand for high-capacity facilities, as measured by telecommunications expenditures. To estimate the demand for high-capacity facilities in all buildings that Verizon considered within a given MSA, Verizon first established the locations of all buildings in the MSAs that it evaluated and obtained information regarding the characteristics of the tenants located in each of those buildings. Next, to determine the demand for high-capacity facilities in a particular building, Verizon used a model designed to estimate demand for high-capacity services based on the types of businesses in that building and their geographical location.

32. To establish the locations of buildings in a given MSA and the characteristics of the various tenants located in those buildings, Verizon relied on data provided by *infoUSA* Inc. ("infoUSA").[2]

33. infoUSA is a leading provider of sales and marketing support products for many different types of businesses. Among other things, infoUSA has developed a proprietary, copyrighted database containing information on approximately 13 million businesses that are located throughout the United States. The database contains information regarding businesses that produce, purchase, or provide goods and services. infoUSA uses more than 7,500 proprietary software programs to operate its data compilation and enhancement processes. The infoUSA database is designed to provide information on active business sites throughout the United States.

34. According to information provided by infoUSA, the company compiles its information through an annual review of telephone directories and other sources of information regarding new businesses (such as filings with Secretaries of State and county courthouses). infoUSA employees also annually contact each business for which the company maintains information to verify that the information collected from these sources of publicly available information is accurate and to gather additional information. Among many other things, for a given business, infoUSA is able to provide the following data: (1) company name; (2) address; (3) phone number; (4) type of business (by standard industrial classification ("SIC") code); and (5) number of employees.

35. infoUSA has advised Verizon that infoUSA's proprietary data compilation software enables it to update, change, or verify approximately 1.5 million business listings every

[2] infoUSA was formerly known as American Business Information or "ABI."

month. A quality assurance group checks input quality to ensure the information is 99 percent accurate from the original source. The company also uses state-of-the-art telephony software that greatly improves the accuracy of the verification process.

36. Using its proprietary software, infoUSA provided Verizon with, among other things, the address, SIC code, and number of employees for each business located within each of the MSAs Verizon studied. Using this information, Verizon was able to determine the addresses shared by multiple businesses, thereby establishing the addresses of the multi-tenant buildings within each MSA. Verizon also identified large single-tenant buildings. In addition, Verizon was able to compile a database of relevant information regarding the businesses located in each of the buildings that it studied. For example, for a specific building, Verizon obtained information regarding the number of businesses located in that building; the number of employees that work for each business; and the SIC codes that are assigned to each of the businesses.

37. Verizon then estimated the demand for high-capacity services associated with each of the buildings that it studied within each MSA. To do this, it employed a methodology developed by Global Insight, Inc. ("Global Insight").[3]

38. Global Insight is a firm that provides a range of consulting and information services for many different industries around the world, including the telecommunications industry. In simple terms, the model developed by Global Insight has enabled Verizon to estimate the demand for high-capacity services generated by each of the tenants of the multi-tenant buildings in the MSAs that Verizon evaluated, based on those tenants' businesses and locations.

---

3 Global Insight was formed through the merger of two economic and forecasting firms, Data Resources Inc. ("DRI") and Wharton Econometric Forecasting Associates ("WEFA"). It began operating under the name "Global Insight" in October 2002.

39. The process that Global Insight uses to model a given tenant's demand for high-capacity loops begins with an initial estimate, at the national level, of spending by different industries for different types of telecommunications services. This initial distribution is prepared using forecasts of total spending, on an industry-wide basis, for various telecommunications services. The data that is used to make these forecasts comes from the Federal Communications Commission; the United States Telecom Association; the Cellular Telecommunications Industry Association; the MultiMedia Telecommunications Association; and the United States Bureau of the Census. These total spending estimates are then further refined, using a statistical analysis that is part of Global Insight's Industry Analysis Service, to generate an estimate, on a national level, of total spending for various types of telecommunications services and products for every industry assigned a 4-digit SIC code.

40. These industry-by-industry estimates of national demand are then further enhanced using more detailed state- and county-level data on telecommunications spending. Through a series of iterative calculations, adjustments are made to the initial nationwide estimates to generate a picture of demand for various telecommunications services and products, on an industry-by-industry basis and at a localized level.

41. Thus, the Global Insight model is capable of estimating demand for a variety of telecommunications services and products, including demand for access lines. In estimating demand for access lines, the Global Insight model segments the analysis into demand for standard (switched) and high-capacity (non-switched) access lines. Its methodology assumes that those industries that use telecommunications services, telecommunications equipment, and information technology more intensively will also be the most intensive users of high-capacity access lines.

42. The modeling process results in a detailed "top-down" and "bottom-up" view of telecommunications products and services usage — including demand for non-switched, high-capacity service lines measured in terms of the number of lines installed — by business segments and geographic areas. Using Global Insight's modeling methodology, it is possible to evaluate demand at the national, state, MSA, county, and wire-center levels. The data and forecasts typically cover five historical years, the current year, and five forecast years.[4]

43. Using the information from infoUSA on the occupants of each of the buildings that Verizon studied, as well as the demand estimates generated for those occupants by Global Insight's model, Verizon was able to estimate, on a building-by-building basis, demand for the high-capacity lines for each of the multi-tenant buildings in a given MSA.

44. Exhibit 6 shows that where telecommunications expenditures per building increases, the deployment of fiber by competitive carriers to a building also increases. (Exhibit 6 was prepared using carrier deployment of fiber in the 20 MSAs with the greatest demand for Verizon's high-capacity Special Access services.)

V. Selected Carriers' Use of Verizon Special Access to Serve Customers

45. Verizon determined, in each of the MSAs that it studied, the extent to which carriers have been able to use Verizon's Special Access services to provide business end users with high-capacity services.

46. To make this determination, Verizon began with a review of its December 2003 billing records to determine the carriers to which it had sold high-capacity circuits (*i.e.*, DS-1, DS-3, or synchronous optical networking ("SONET") facilities). Next, from this information, Verizon identified a selection of at least 10 carriers that it determined rely on Verizon's Special

---

4 The Global Insight model can also be used to assess demand for the residential segment, as well as demand by both the business and residential segments for wireless telecommunications services.

Access services to provide high-capacity services to business end users. All of these carriers are significant purchasers of Special Access services. Some of these carriers provide high-capacity services both through the use of their own facilities or a combination of their own facilities and Special Access services (and to a lesser extent UNEs), whereas others provide such services exclusively (or virtually exclusively) through the use of Verizon's Special Access services.

47. Through a series of queries to its billing records as of the last billing period in February 2004, Verizon obtained information regarding the high-capacity DS-1, DS-3, and SONET circuits that these purchasers of Verizon Special Access services use to provide services.[5] Verizon obtained the following information for each circuit: (1) carrier code; (2) description of high-speed service (*e.g.*, DS-1, DS-3, or SONET); (3) serving wire center common language location identifier ("CLLI") code; (4) end-user's name; and (5) end-user's address. Verizon also had information that allowed Verizon to obtain the central office address based on the CLLI code.

48. In each of the MSAs it studied, Verizon mapped information regarding the location of business end users served by 1 to 9 selected carriers using Verizon's Special Access services. Exhibit 7A shows for each MSA the carriers whose data is represented in the maps. In addition, Exhibit 7B shows the total number of Special Access circuits included in an MSA, information that may not be fully represented in the maps because the maps fail to reflect (i) where more than one carrier has used Special Access to serve customers in the same building and/or (ii) where one carrier has multiple Special Access circuits to serve one or more customers in a building.

---

5 Voice grade, wide-area telephone service, and digital data services were not included in this review. High-capacity services were identified using the service code modifier of circuit identification (where available), circuit class of service universal service order code (where available), billing account number, and class of service description.

49. Furthermore, the information included in Exhibit 7 and reflected in these maps is limited to those Special Access circuits for which Verizon was able to identify a business end user's address from its billing records. In many cases, Verizon's data showed that carriers had purchased a Special Access circuit, such as a DS-3, to a central office, but did not provide a corresponding business end user address for the circuit, suggesting that the circuit terminated at the central office. Verizon did not attempt to capture this use of its Special Access services, but instead mapped only that data that showed a single DS-1 or DS-3 circuit between the carriers' point of presence ("POP") and the business end user's premises. The maps, therefore, probably understate significantly the extent to which carriers are using Special Access services to provide high-capacity services.

50. Verizon also analyzed the data to determine the types of business end users these selection carriers were serving using Verizon's Special Access services. The end user names associated with the circuits were manually examined and assigned a business category. If a business category was not apparent, the examiner utilized an Internet lookup to determine the business function. If the examiner was unable to determine the business function, the category of "Miscellaneous" was assigned. This information is contained in Exhibits 8A-E, which, because of its size, has been submitted in CD-ROM format.

VI. Carriers Use of Special Access Services, Rather than UNEs, To Provide High-Capacity Facilities

51. Carriers make extensive use of Verizon's Special Access services to serve their own business end users. More than 80 percent of Verizon's total Special Access revenues are generated from sales to other carriers, rather than to retail end users. *See* Exhibit 9 (comparing total Special Access revenue generated by sales of DS-1 and greater capacity channel termination facilities assigned to Verizon's wholesale business units to Special Access revenue

assigned to Verizon's retail business unit). Verizon determined that more than 85 percent of Verizon's revenues for DS-1 channel termination facilities and just under 84 percent of Verizon's revenues for DS-3 channel termination facilities are generated by sales of these services to other carriers. *See id.*

52. Verizon has also determined that carriers serve their business end users through Special Access services far more frequently than they do using unbundled network elements. To make this determination, Verizon analyzed the extent to which carriers use Verizon's Special Access services, as opposed to UNEs, to obtain DS-1 and DS-3 high-capacity loop and transport facilities that are needed to serve business end users. *See* Exhibits 10A-10D.

53. To compare DS-1 channel terminations purchased by carriers as Special Access services with those purchased as DS-1 UNE loops, Verizon obtained, from a database containing information on access lines, the number of Special Access DS-1 channel terminations, both to the business end-user premises (*i.e.*, the UNE loop equivalent) and to the carrier's POP (*i.e.*, the UNE entrance facility equivalent), that were in service as of March 2004. Unless it were to conduct a special study throughout its entire region, Verizon cannot distinguish between DS-1 end-user channel terminations (the UNE loop equivalent) and DS-1 POP-side channel terminations (the UNE entrance facility equivalent).[6] Accordingly, to obtain UNE data comparable to the available Special Access circuit data, Verizon obtained unit counts for UNE DS-1 loops, UNE DS-1 EELs (which include UNE DS-1 loops), and UNE DS-1 entrance facilities that were in service as of March 2004. Verizon then divided the total number of UNE

---

[6] Although Verizon is unable to distinguish between end user POP DS-1 channel terminations in its former Bell Atlantic region, Verizon's former GTE business units tracks its data in such a way as to identify this distinction. The total DS-1 channel terminations (both POP-side and end-user-side) in the former GTE territory make up approximately 27 percent of Verizon's total DS-1 channel termination facilities. Of this 27 percent, fewer than 5 percent are POP-side channel terminations.

components by the total number of DS-1 Special Access channel terminations, thereby generating a ratio of UNE-based services to Special Access services.

54. Verizon used this ratio to approximate the percentage of DS-1 "loop equivalents" that carrier purchased as Special Access services, as compared to the percentage of DS-1 UNE loops purchased by carriers. Using this proxy, Verizon determined that 93 percent of the DS-1 "loop equivalents" purchased by carriers were purchased as Special Access services, while only 7 percent of the DS-1 loop facilities purchased by carriers consisted of UNEs. *See* Exhibit 11. The ratio is a reasonable proxy because, even though Verizon is unable, in some of its region, to distinguish between DS-1 end-user-side and POP-side channel terminations, the great majority of Special Access DS-1 channel terminations purchased by carriers are end-user-side channel terminations. Carriers that purchase POP-side channel terminations (entrance facility equivalents) typically purchase DS-3 or higher capacity facilities. Even taking the extremely conservative view that as many as *half* of the DS-1 Special Access channel termination facilities purchased were POP-side channel terminations (the UNE entrance facility equivalent), the ratio between Special Access services to UNEs still exceeds 85 percent.

55. To compare the percentage of DS-3 loops carriers purchased through Verizon's Special Access services with DS-3 loops purchased as UNEs, Verizon obtained, from the same database and for the same time period, the number of Special Access DS-3 end user channel terminations, as well as the numbers of UNE DS-3 loops and UNE DS-3 EELs. Unlike with its DS-1 data, Verizon is able to distinguish between DS-3 end-user side channel terminations and POP-side channel terminations. Verizon computed the total number of UNE components (*i.e.*, loops and EELs) and then divided that figure by the total number of DS-3 loops purchased as Special Access services to determine the ratio of DS-3 UNE loops to DS-3 Special Access "loop

equivalents." Verizon found that *99 percent* of the DS-3 end-user "loop equivalents" obtained by carriers were purchased as Verizon's Special Access services, while only 1 percent of the DS-3 loop facilities purchased by carriers were UNEs. *See* Exhibit 12.

56. Verizon next compared the percentage of entrance facilities purchased from Verizon using Special Access services to entrance facilities purchased as UNEs. Verizon again extracted from its access line database the number of Special Access DS-3 channel terminations between carrier POPs and Verizon central offices (*i.e.*, entrance facility equivalents), as well as UNE DS-3 entrance facilities that were in service as of March 2004. For New England states, where there is no separate rate element for UNE entrance facilities, Verizon obtained information on UNE entrance facilities from its Regional Carrier Access Billing System ("CABS"). Verizon divided the total number of UNE entrance facilities from each of these databases by the total number of entrance facilities purchased through Verizon's Special Access services to obtain the percentage of entrance facilities that were purchased as UNEs. Verizon determined that approximately 97 percent of the entrance facilities purchased were purchased as Special Access services, compared with 3 percent purchased as UNEs. *See* Exhibit 13.

57. Finally, Verizon sought to determine the percentage of loop and transport combinations purchased as Special Access compared to EELs. Verizon obtained, from its access line database, unit counts for DS-1 EEL IOF that were in service as of March 2004. To obtain the Special Access equivalent to these EELs, Verizon obtained, from its Carrier Access Revenue Data ("CARD") system, unit counts for Special Access DS-1 interoffice circuits and multiplexing arrangements that were in service as of March 2004.

58. Verizon then adjusted this data as follows. In the East, it extracted fixed mileage units for DS-1 and FMS DS-1 circuits,[7] thereby enabling it to determine the total number of Special Access circuits sold. Since FMS tracking codes include both DS-0 and DS-1 circuits (all on a DS-0 equivalent basis), DS-0 units were removed by subtracting the FMS 0/1 multiplexing arrangements (which is a reasonable estimate of the FMS DS-1 units). The remaining units were converted to DS-1 equivalents by dividing by 24 channels. In the West, interoffice transport is billed on a channel termination basis. Although most circuits are assumed to have 2 channel terminations per circuit, due to "meet point billing" arrangements, Verizon assumed an additional conversion factor of 1.7. Thus, the West DS-1 units were first divided in half, then divided again by 1.7 in order to convert to a DS-1 circuit basis. Finally, to properly compare EELs to Special Access "EEL equivalent" circuits, the Special Access circuits needed to be adjusted to simulate point-to-point circuits. Accordingly, the 0/1 multiplexing arrangements were subtracted from the DS-1 units, again a reasonable proxy for point-to-point circuits. The EEL interoffice facility circuits then were divided by the adjusted Special Access circuits to determine the ratio of UNE to Special Access EEL equivalents. Verizon determined that 94 percent of DS-1 loop and transport combinations are purchased as Special Access services, as opposed to UNE EELs. *See* Exhibit 14.

59. Verizon also found that, even those carriers that have purchased EELs from Verizon began by first serving business end users for extended periods of time using Special Access services before converting to EELs. One of Verizon's largest purchasers of Special Access services has waited an average of nearly 2 years, and in some cases more than 7 years, to convert its Special Access circuits to UNEs. A number of carriers that use Special Access

---

[7] "Facilities Management Service" is a pricing plan that enables customers to purchase Special Access capacity on a DS-0 equivalent basis and under which Verizon assumes responsibility for designing, facility assignment, and routing of customers' dedicated circuits over Verizon's Special Access network.

services extensively have not converted any Special Access circuits to UNEs or have converted only a small fraction. For example, this same larger purchaser has converted only a small fraction (1/30) of its Special Access circuits to EELs; another of Verizon's largest purchasers of Special Access services has not converted any of its circuits to EELs, nor have several other Carriers that use Special Access extensively.

60. Few wholesale customers that purchase Special Access service from Verizon pay the tariffed "base" rates for these services — that is, the standard (*i.e.*, month-to-month) rates that apply to carrier that do not qualify for any volume or term discounts. Verizon offers significant discounts off of those base rates — on the order of 5 to 40 percent — to customers that enter into term commitments (ranging from 1 to 7 years, depending on the service and geographic area). Carriers are availing themselves of these discounted rates. In general, wholesale customers are purchasing Special Access services from Verizon at an average of approximately 35 to 40 percent off the base rates for these services.

61. Since 2001, the price customers have paid for Verizon's Special Access services on a per-line basis has decreased. Verizon determined this by ascertaining DS1 revenue for the former Bell Atlantic business units of Verizon for channel terminations, fixed and per mile mileage charges, and all other rate elements was extracted from the Carrier Access Revenue Data (CARD) system which is Wholesale Product Management's detailed revenue tracking system. In service channel termination counts (unit counts) were also extracted from the CARD system. Both revenues and units were extracted for the time period from January 2001 through April 2004 and were grouped by line of business code. DS1 revenue associated with the former GTE business units of Verizon for channel terminations, mileage and all other rate elements was extracted from the Systems & Applications in Data Processing (SAP) system for the period

January 2001 through April 2004. In Service unit counts of Special Access DS1 channel terminations were extracted from the SAP system as well for the period January 2001 through April 2004. The wholesale revenue per channel termination calculations used revenue dollars and channel termination unit counts for the Wholesale Business unit only. The retail calculations used revenues and units from all other business unit codes. The total company calculations were based on a summation of the revenues and units from both wholesale and retail. In calculating the revenue per unit, the total revenues were grouped by channel termination, mileage and all other revenues. The total revenues in each group were then divided by the total channel terminations to calculate the revenue per channel termination. *See* Exhibit 15.

VII. Circumstances Indicative of Particularly Intensive Competition

62. The information that Verizon has obtained from the sources of data described above support the conclusion that competition is particularly intense in at least two circumstances.

63. *First*, Verizon's data show that wire centers that have 5,000 or more total *business* lines (retail plus wholesale) are particularly likely to attract competitive entry for high-capacity services. In Verizon's region, only 15 percent of all wire centers (roughly 950 out of a total of 6,300 wire centers with high-capacity special access revenue) contain 5,000 or more business lines. *See* Exhibit 16. Moreover, Verizon has determined that carriers have deployed fiber in *more than half* of such wire centers, as determined by inspections of fiber-based collocation plus independent data provided by GeoTel described above in paragraphs 10-18. *See id.* Those wire centers with competitive fiber represent nearly three-quarters of all high-capacity Special Access revenues generated in wire centers with 5,000 or more business lines. *See id.*

64. Wire centers meeting this criterion also have attracted extensive competition from carriers using Special Access. For example, nearly all (99.9 percent) of the wire centers with 5,000 or more business lines contain one or more carriers that use Verizon Special Access service.

65. *Second*, Verizon has determined that those wire centers where business lines account for 30 percent or more of the total lines likewise are particularly likely to attract competitive entry for high-capacity services. In Verizon's region, there are a total of 1,035 wire centers in which business lines account for 30 percent or more of the total lines in the wire center – about 16.5 percent of Verizon's total wire centers. *See* Exhibit 17. Over 35 percent of these wire centers have attracted alternative fiber providers. *See id.* Moreover, approximately three-quarters of the high-capacity Special Access revenues that are generated in wire centers where business lines account for 30 percent or more of total lines are generated in wire centers with alternative fiber providers. *See id.*

66. Wire centers meeting this criterion also have attracted extensive entry from carriers using Special Access. For example, in 94 percent of the wire centers in which business lines account for 30 percent or more of the total lines, one or more carriers use Verizon Special Access services. *See id.*

67. This concludes our declaration.

I hereby certify under penalty of perjury that the foregoing is true to the best of my knowledge, information, and belief.

Executed on October 4, 2004.

Judy K. Verses

Judy K. Verses

I hereby certify under penalty of perjury that the foregoing is true to the best of my knowledge, information, and belief.

Executed on October 4, 2004.

Ronald H. Lataille

I hereby certify under penalty of perjury that the foregoing is true to the best of my knowledge, information, and belief.

Executed on October 4, 2004.

Marion C. Jordan

Marion C. Jordan

I hereby certify under penalty of perjury that the foregoing is true to the best of my knowledge, information, and belief.

Executed on October 4, 2004.

Lynelle J. Reney

Lynelle J. Reney

DECLARATION OF JUDY K. VERSES, RONALD H. LATAILLE, MARION C. JORDAN, AND LYNELLE J. RENEY

EXHIBIT 1A

REDACTED – FOR PUBLIC INSPECTION

REDACTED – FOR PUBLIC INSPECTION

DECLARATION OF JUDY K. VERSES,
RONALD H. LATAILLE, MARION C. JORDAN, AND
LYNELLE J. RENEY

EXHIBIT 1B

Analysis of Verizon's High-Capacity Special Access Revenue Concentration

Based on 2003 Total Billed Revenues (Wholesale + Retail)

Percent of Special Access Revenue	Number of Wire Centers	Percent of Verizon's Total Wire Centers
20%	28	0.4%
40%	90	1.4%
60%	230	3.7%
80%	**532**	**8.5%**

DECLARATION OF JUDY K. VERSES,
RONALD H. LATAILLE, MARION C. JORDAN, AND
LYNELLE J. RENEY

EXHIBIT 2A

REDACTED – FOR PUBLIC INSPECTION

REDACTED – FOR PUBLIC INSPECTION

DECLARATION OF JUDY K. VERSES,
RONALD H. LATAILLE, MARION C. JORDAN, AND
LYNELLE J. RENEY

EXHIBIT 2B

REDACTED – FOR PUBLIC INSPECTION